

**Family Support Center of Ogden, Inc.**

**Year Ended June 30, 2006**

**Financial Statements**

**And**

**Independent Auditor's Report**

**With Supplementary Information**

**And**

**Compliance Reports**



# **Family Support Center of Ogden, Inc.**

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SHAW/MUMFORD  
AND CO. P.C.

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Family Support Center of Ogden, Inc.  
Ogden, UT

We have audited the accompanying statement of financial position of Family Support Center of Ogden, Inc. (a nonprofit organization) as of June 30, 2006, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's June 30, 2005 financial statements and, in our report dated September 12, 2005, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Family Support Center of Ogden, Inc. as of June 30, 2006, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2006 on our consideration of Family Support Center of Ogden, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

*Shaw Mumford & Co., P.C.*

Bountiful, Utah  
September 15, 2006

# Family Support Center of Ogden, Inc.

## Statement of Financial Position

June 30, 2006

With Comparative Totals For June 30, 2005

|   | <u>6/30/2006</u>  | <u>6/30/2005</u>  |
|---|-------------------|-------------------|
| <b>ASSETS</b>                                   |                   |                   |
| Current assets                                  |                   |                   |
| Cash and cash equivalents                       | \$ 455,991        | \$ 355,849        |
| Accounts and contracts receivable               | 62,585            | 13,551            |
| Installment note receivable - current portion   | -                 | 2,307             |
| Sales tax receivable                            | 67                | 103               |
| Total current assets                            | <u>518,643</u>    | <u>371,810</u>    |
| Fixed assets, at cost                           |                   |                   |
| Furniture and equipment                         | 66,427            | 63,678            |
| Less accumulated depreciation                   | <u>(49,396)</u>   | <u>(42,883)</u>   |
| Net fixed assets                                | <u>17,031</u>     | <u>20,795</u>     |
| Installment note receivable - long-term portion | <u>-</u>          | <u>97,531</u>     |
| Total assets                                    | <u>\$ 535,674</u> | <u>\$ 490,136</u> |
| <b>LIABILITIES AND NET ASSETS</b>               |                   |                   |
| Current liabilities                             |                   |                   |
| Accounts payable                                | \$ 16,892         | \$ -              |
| Accrued liabilities                             | <u>8,613</u>      | <u>5,530</u>      |
| Total current liabilities                       | <u>25,505</u>     | <u>5,530</u>      |
| Net assets                                      |                   |                   |
| Unrestricted                                    | 480,702           | 480,198           |
| Temporarily restricted                          | 29,467            | 4,408             |
| Permanently restricted                          | <u>-</u>          | <u>-</u>          |
| Total net assets                                | <u>510,169</u>    | <u>484,606</u>    |
| Total liabilities and net assets                | <u>\$ 535,674</u> | <u>\$ 490,136</u> |

See accompanying notes to financial statements.

# Family Support Center of Ogden, Inc.

## Statement of Activities

Year June 30, 2006

With Comparative Totals For The Year Ended June 30, 2005

|   | 6/30/2006         |                           |                           | 6/30/2006         | 6/30/2005         |
|---|-------------------|---------------------------|---------------------------|-------------------|-------------------|
|   | Unrestricted      | Temporarily<br>Restricted | Permanently<br>Restricted | Total             | Total             |
| <b>REVENUES AND SUPPORT</b>                   |                   |                           |                           |                   |                   |
| Utah Division of Child<br>and Family Services | \$ 260,177        | \$ -                      | \$ -                      | \$ 260,177        | \$ 137,639        |
| Fundraising revenue                           | 68,092            | -                         | -                         | 68,092            | 50,705            |
| Public donations                              | 66,037            | 23,375                    | -                         | 89,412            | 84,286            |
| Donations in-kind                             | 20,169            | -                         | -                         | 20,169            | 12,509            |
| Interest                                      | 13,811            | -                         | -                         | 13,811            | 4,210             |
| United Way Donations                          | 3,858             | 3,809                     | -                         | 7,667             | 10,193            |
| FEMA  | 5,253             | 2,283                     | -                         | 7,536             | 7,628             |
| Miscellaneous and<br>client fees              | 2,910             | -                         | -                         | 2,910             | 7,756             |
| Child Care Food Plan                          | 2,366             | -                         | -                         | 2,366             | 2,266             |
| Child Nutrition Program                       | 686               | -                         | -                         | 686               | -                 |
| Volunteer Services                            | 41                | -                         | -                         | 41                | 1,562             |
| Utah Department of<br>Workforce Services      | -                 | -                         | -                         | -                 | 50,000            |
| Gain on sale of fixed<br>assets               | -                 | -                         | -                         | -                 | 16,024            |
| Rental income                                 | -                 | -                         | -                         | -                 | 8,400             |
| Net assets released<br>from restrictions      | 4,408             | (4,408)                   | -                         | -                 | -                 |
|   | <u>447,808</u>    | <u>25,059</u>             | <u>-</u>                  | <u>472,867</u>    | <u>393,178</u>    |
| <b>EXPENSES</b>                               |                   |                           |                           |                   |                   |
| Program services                              | 384,844           | -                         | -                         | 384,844           | 325,078           |
| Management and general                        | 11,015            | -                         | -                         | 11,015            | 12,148            |
| Fundraising                                   | 51,445            | -                         | -                         | 51,445            | 30,925            |
|   | <u>447,304</u>    | <u>-</u>                  | <u>-</u>                  | <u>447,304</u>    | <u>368,151</u>    |
| Change in net assets                          | 504               | 25,059                    | -                         | 25,563            | 25,027            |
| Net assets, beginning of year                 | <u>480,198</u>    | <u>4,408</u>              | <u>-</u>                  | <u>484,606</u>    | <u>459,579</u>    |
| Net assets, end of year                       | <u>\$ 480,702</u> | <u>\$ 29,467</u>          | <u>\$ -</u>               | <u>\$ 510,169</u> | <u>\$ 484,606</u> |

See accompanying notes to financial statements.

# Family Support Center of Ogden, Inc.

## Statement of Functional Expenses

Year June 30, 2006

With Comparative Totals For The Year Ended June 30, 2005

|                                     | 6/30/2006           |                           |             | 6/30/2006  | 6/30/2005  |
|-------------------------------------|---------------------|---------------------------|-------------|------------|------------|
|                                     | Program<br>Services | Management<br>and General | Fundraising | Total      | Total      |
| Salaries and wages                  | \$ 237,506          | \$ 4,348                  | \$ 2,700    | \$ 244,554 | \$ 221,165 |
| Payroll taxes                       | 20,352              | 526                       | 327         | 21,205     | 21,423     |
| Employee benefits                   | 20,532              | 531                       | 330         | 21,393     | 25,226     |
| Total salaries and related expenses | 278,390             | 5,405                     | 3,357       | 287,152    | 267,814    |
| Payments to sub-recipients          | 49,529              | -                         | -           | 49,529     | -          |
| Supplies                            | 2,688               | 1,803                     | 22,272      | 26,763     | 10,257     |
| In-kind donations                   | 2,375               | 195                       | 17,599      | 20,169     | 12,509     |
| Food                                | 14,781              | 430                       | 2,122       | 17,333     | 10,774     |
| Travel                              | 5,003               | 133                       | 242         | 5,378      | 4,043      |
| Miscellaneous                       | 666                 | 1,739                     | 2,345       | 4,750      | 9,946      |
| Telephone and postage               | 4,033               | 107                       | 167         | 4,307      | 4,383      |
| Repairs and maintenance             | 4,079               | 105                       | 70          | 4,254      | 6,210      |
| Legal, accounting and fees          | 3,567               | 104                       | 512         | 4,183      | 5,892      |
| Utilities                           | 3,571               | 92                        | 37          | 3,700      | 3,671      |
| Conference and workshops            | 2,941               | 257                       | 446         | 3,644      | 2,220      |
| Temporary help                      | 2,592               | 92                        | 374         | 3,058      | -          |
| Printing and publications           | 1,670               | 292                       | 617         | 2,579      | 3,773      |
| Insurance                           | 1,745               | 51                        | 250         | 2,046      | 6,427      |
| Christmas clients                   | 1,379               | 40                        | 198         | 1,617      | 770        |
| Advertising                         | 246                 | 7                         | 35          | 288        | 648        |
| Volunteer services                  | 35                  | 1                         | 5           | 41         | 1,562      |
| Bad debt                            | -                   | -                         | -           | -          | 6,834      |
| Total expenses before depreciation  | 379,290             | 10,853                    | 50,648      | 440,791    | 357,733    |
| Depreciation                        | 5,554               | 162                       | 797         | 6,513      | 10,421     |
| Total expenses                      | \$ 384,844          | \$ 11,015                 | \$ 51,445   | \$ 447,304 | \$ 368,154 |

See accompanying notes to financial statements.

**Family Support Center of Ogden, Inc.**  
**Statement of Cash Flows**  
**Year June 30, 2006**  
**With Comparative Totals For The Year Ended June 30, 2005**

|   | <u>6/30/2006</u>  | <u>6/30/2005</u>  |
|---|-------------------|-------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                   |                   |
| Change in net assets  | \$ 25,563         | \$ 25,027         |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: |                   |                   |
| Depreciation  | 6,513             | 10,421            |
| Changes in current assets and liabilities:  |                   |                   |
| Accounts receivable   | (49,034)          | (2,127)           |
| Employee receivable   | -                 | 7,284             |
| Sales tax receivable  | 36                | 3                 |
| Accounts payable  | 16,892            | -                 |
| Accrued liabilities   | 3,083             | (8,018)           |
| Net cash provided by operating activities   | <u>3,053</u>      | <u>32,590</u>     |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                   |                   |
| Cash paid for the purchases of fixed assets   | (2,749)           | -                 |
| Cash proceeds from sale of fixed assets   | -                 | 22,824            |
| Principal payments received on installment note   | <u>99,838</u>     | <u>62</u>         |
| Net cash provided by investing activities   | <u>97,089</u>     | <u>22,886</u>     |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   | <u>-</u>          | <u>-</u>          |
| Net change in cash  | 100,142           | 55,476            |
| Cash and cash equivalents, beginning of year  | <u>355,849</u>    | <u>300,373</u>    |
| Cash and cash equivalents, end of year  | <u>\$ 455,991</u> | <u>\$ 355,849</u> |
| <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>                                     |                   |                   |
| Cash paid for interest  | \$ -              | \$ -              |
| Cash paid for taxes   | \$ -              | \$ -              |

See accompanying notes to financial statements.

# **Family Support Center of Ogden, Inc.**

## **Notes to Financial Statements**

**June 30, 2006**

### **1. ORGANIZATION BASIS OF PRESENTATION**

Family Support Center of Ogden, Inc. (the "Organization") was incorporated under the laws of the State of Utah on March 22, 1979 as a nonprofit corporation. The Organization's purpose is to provide education and supportive services to strengthen the family unit and enhance family functioning. The Organization does this by providing short-term respite and emergency care, parenting classes and in-home parenting instruction to children and their parents.

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Organization have been prepared on the accrual basis. The Organization follows the provisions of Statements of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations" and SFAS No. 116, "Accounting for Contributions Received and Contributions Made."

The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

#### Estimates in the Financial Statements

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Classes of Net Assets

Revenues and gains are classified based on the presence or absence of donor restrictions and reported in the following net asset categories:

- a. Unrestricted net assets represent the portion of net assets not subject to donor restrictions.
- b. Temporarily restricted net assets arise from contributions that are restricted by the donor for specific purposes or time periods.
- c. Permanently restricted net assets arise from contributions that are restricted by the donor in perpetuity.

All contributions are considered available for unrestricted use, unless specifically restricted by the donors. All expenses are reported as changes in unrestricted net assets.

#### Cash and Cash Equivalents

For purposes of the statement of cash flows, cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less.

#### Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are carried at their estimated collectible amounts. The Organization's accounts receivable are generally short-term in nature; thus accounts receivable do not bear interest.



## Notes (continued)

Accounts receivable are periodically evaluated for collectibility based on past credit history with customers and their current financial condition. An allowance for doubtful accounts has not been established because management believes that all accounts receivable will be fully collectible.

### Fixed Assets

Fixed assets are recorded at acquisition cost, or if donated, at the fair market value at the date donated. The Organization capitalizes additions that exceed \$1,000. Depreciation expense is provided on a straight-line basis over the estimated useful lives of the respective assets, which range from five to seven years. Depreciation expense for the year ended June 30, 2006 was \$6,513.

### Contributions

Unconditional promises to give are recognized as revenue when the underlying promises are received by the Organization. Gifts of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restrictions ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

### Income taxes

The Organization is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements. In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for the year ended June 30, 2006.

### Donated services

Volunteers and advisors have donated substantial time in assisting the Organization in achieving the goals of its programs. Amounts applicable to donated services that meet the requirements of SFAS No. 116 have been included in the accompanying financial statements.

### Government Funding

Funding from all government sources is considered to be unrestricted as long as it is expended under contract guidelines and is expended in the period for which it is contracted.

### Concentrations of Credit Risks

The Organization maintains its cash in bank deposit accounts, which at times, may exceed federally insured limits. At June 30, 2006, \$381,562 exceeded the FDIC insurance limit of \$100,000, and therefore was not insured. The Organization has not experienced any losses in such account and believes it is not exposed to any significant credit risk on cash.

The Organization receives a significant amount of its funding from government sources. Decreases in this government support would have an adverse effect upon the Organization.

### Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Notes (continued)

Fair Value of Financial Instruments

The Organization has a number of financial instruments, none of which are held for trading purposes. The Organization estimates that the fair value of all financial instruments at June 30, 2006, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position.

Reclassifications

Certain items from June 30, 2005 have been reclassified to conform to the June 30, 2006 presentation.

**3. ACCOUNTS RECEIVABLE**

Accounts receivable consisted of the following at June 30, 2006:

|   |    |               |
|---|----|---------------|
| St. Benedict's Foundation (promise to give) | \$ | 23,375        |
| Utah Division of Child and Family Services  |    | 35,401        |
| United Way (promise to give)                |    | <u>3,809</u>  |
|   | \$ | <u>62,585</u> |

The Organization expects to receive the entire amounts of the United Way and St. Benedict's Foundation promises to give next year.

**4. INSTALLMENT NOTE RECEIVABLE**

On December 17, 2004, the Organization sold land and building for \$149,900. The Organization received a cash down payment of \$35,067, which was less certain closing costs associated with the sale. The Organization also retained a short-term, eighteen-month note receivable for \$99,900. That note called for monthly payments of \$769, including interest at 7%. During the year ended June 30, 2006, the Organization received the final payments on the note receivable. The balance of the installment note receivable at June 30, 2006 was \$0. The Organization received interest income in the amount of \$5,090 for the year ended June 30, 2006.

**5. RESTRICTED NET ASSETS**

Temporarily restricted net assets consist of the following at June 30, 2006:

|   |    |               |
|---|----|---------------|
| United Way (promise to give)                | \$ | 3,809         |
| St. Benedict's Foundation (promise to give) |    | 23,375        |
| FEMA monies                                 |    | <u>2,283</u>  |
|   | \$ | <u>29,467</u> |

The Organization receives funding from United Way and St. Benedict's Foundation on a calendar year basis. The annual allocations from United Way and St. Benedict's Foundation are considered conditional promises to receive and in accordance with SFAS No. 116 the entire annual amount must be recorded as of June 30, 2006.

Notes (continued)

**6. UTAH DIVISION OF CHILD AND FAMILY SERVICES**

The individual contracts and grants received from the Utah Division of Child and Family Services for the year ended June 30, 2006 were as follows:

|                      |                   |
|----------------------|-------------------|
| Crisis Nursery       | \$ 99,321         |
| Community Networking | 65,000            |
| TOR Program          | 45,000            |
| In-home respite      | 25,000            |
| Parenting classes    | <u>25,856</u>     |
|                      | <u>\$ 260,177</u> |

**7. PROGRAM EXPENSES**

Program expenses for the year ended June 30, 2006 were as follows:

|                             |                   |
|-----------------------------|-------------------|
| Crisis Nursery              | \$ 107,467        |
| TOR Program                 | 59,116            |
| In-home respite             | 31,081            |
| FEMA                        | 7,944             |
| DWS In-Home                 | 10,005            |
| Spanish In-Home Parenting   | 28,569            |
| Bright Beginnings           | 49,964            |
| CBH transitional counseling | 5,424             |
| UAFSC Community Networking  | 52,043            |
| Parenting classes           | <u>33,231</u>     |
|                             | <u>\$ 384,844</u> |

**8. PRIOR YEAR INFORMATION**

The financial statements for the year ended June 30, 2005 are presented for comparative purposes only. The notes presented herein contain information relating to June 30, 2006 only. Please refer to the June 30, 2005 audited financial statements for information relating to the notes for the prior year.

**SUPPLEMENTARY INFORMATION**

**AND**

**COMPLIANCE REPORTS**



SHAW/MUMFORD  
AND CO. P.C.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Board of Directors  
Family Support Center of Ogden, Inc.  
Ogden, UT

We have audited the financial statements of Family Support Center of Ogden, Inc. (a nonprofit organization) as of and for the year ended June 30, 2006, and have issued our report thereon dated September 15, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Family Support Center of Ogden, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Family Support Center of Ogden, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management, Board of Directors and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Shaw Mumford & Co., P.C.*

Bountiful, Utah  
September 15, 2006



**REPORT ON COMPLIANCE WITH STATE OF UTAH  
LEGAL COMPLIANCE AUDIT GUIDE**

The Board of Directors  
Family Support Center of Ogden, Inc.  
Ogden, UT

We have audited the financial statements of Family Support Center of Ogden, Inc. (a nonprofit organization) for the year ended June 30, 2006 and have issued our report thereon dated September 15, 2006. As part of our audit, we have audited Family Support Center of Ogden, Inc.'s compliance with the requirements governing types of services allowed or unallowed; eligibility; and matching that are applicable to its major State award program as required by the State of Utah Legal Compliance Audit Guide for the year ended June 30, 2006. Family Support Center of Ogden, Inc. received the following major State assistance program from the State of Utah:

Crisis Nursery/In-home Respite (Utah Department of Human Services)

Family Support Center of Ogden, Inc. also received the following nonmajor grants which are not required to be audited for specific compliance requirements: (However, these programs were subject to test work as part of the audit of Family Support Center of Ogden, Inc.'s financial statements.)

Outreach (Utah Department of Workforce Services)  
Parenting Classes (Utah Department of Human Services)  
Child Care Food Plan (Utah Department of Human Services)  
Community Networking (Utah Department of Human Services)  
Safe and Stable Families (Utah Department of Human Services)  
Parent Evaluation (Utah Department of Human Services)

The management of Family Support Center of Ogden, Inc. is responsible for its compliance with the compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about Family Support Center of Ogden, Inc.'s compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed no instances of noncompliance with the requirements referred to above.

In our opinion, Family Support Center of Ogden, Inc. complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; and matching that are applicable to its major State assistance program for the year ended June 30, 2006.

*Shaw Mumford & Co., P.C.*

Bountiful, Utah  
September 15, 2006